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DRAFT MEETING MINUTES
ARIZONA CLIMATE CHANGE ADVISORY GROUP
Salt River Project Public Administration Building
September 29, 2005

Members in attendance:

Bahr, Berry, Clark, Cook, Cunning, De Masi, Downey, Elliott, Engel, Fox, Gatewood, Hayslip, Henness, Kramer, Martin, McGinnis, O'Regan, Owens, Pfeifer, Pfister, Schlegel, Seitts, Swetnam, Taylor, Tobin

Members absent:

Boyd, Crosswhite, Etsitty, Gammage, Homer, Kinsall, Mohin, Netko, Ramirez, Seitz

Discussion items:

ADEQ Director Steve Owens led the CCAG members through introductions and reviewed the meeting agenda.

David Berry moved for approval the July 14, 2005 meeting minutes; Suzanne Pfister seconded the motion. The minutes were approved without objection.

Tom Peterson with the Center for Climate Strategies facilitated the meeting. He first reviewed CCAG progress since the July 14, 2005 CCAG meeting and summarized where the CCAG is in the overall process toward providing the Governor by June 2006 a final action plan with recommendations for reducing greenhouse gas (GHG) emissions in Arizona. He noted that the CCAG process is on schedule, but will move at a slightly slower pace in the next phase.

Following this overview, Peterson and technical work group (TWG) facilitators provided an update on TWG activities to identify potential "priorities for analysis." CCAG members of the TWGs were invited to add remarks regarding discussions of their TWGs, and other CCAG members invited to respond with questions and comments.

Since the July 14 meeting, four sector-based technical TWGs comprising CCAG members and other experts held a series of conference calls to review the initial emissions inventory and baseline forecast for future GHG emissions and to consider a broad list of potential policy options for reducing GHG emissions. From this list, TWG members identified several initial

options to recommend to the CCAG as priorities for initial analysis. Not all options from the long list of potential Arizona policy options have been fully reviewed by the TWGs, and not all options identified as potential priorities for analysis were presented at the CCAG due to time constraints. These will be discussed further at the next CCAG meeting following additional TWG discussion in the interim.

In the meeting, Peterson and the TWG facilitators presented to CCAG members a subset of the TWGs' initial priority lists (i.e., those options that the TWGs had identified as priorities for analysis and as having high GHG reduction potential). In response to member questions, Director Owens clarified that only part of the priority list had been presented in the interest of time to facilitate discussion at the meeting. CCAG members were asked at this stage to affirm these potential policy options of the TWGs for continued discussion and development in the next phase of the process. The discussion was meant to provide the TWGs feedback on the options that they had identified as priorities for analysis, starting with the most highly ranked options.

CCAG members noted several options to include as priorities for further analysis at this time in addition to the ones facilitators presented in the meeting (*see attached list*). Members also affirmed the need for the TWGs to complete their review and assignment of initial ranking to any remaining options that had not been considered in the conference calls, and to further consider those options not presented at the CCAG meeting in the interest of time. Following extended discussion, the CCAG affirmed this approach.

Peterson and TWG facilitators then presented an update of TWG discussions on the Arizona GHG emissions inventory and forecast, including some suggested technical revisions. Following review and brief discussion, TWC recommendations were affirmed without objection.

Ken Colburn of CCS presented a framework for CCAG consideration of cross cutting issues that include reporting, registries and education, and related technical and policy issues. Colburn also outlined next steps for the formation of a cross cutting issues TWG to be started in the next phase of the process. Following review and brief discussion, this recommendation was affirmed without objection.

Peterson then briefly summarized suggested guidelines for benefit cost analysis to be conducted by TWGs for specific policy options, noting standard approaches recommended by the US OMB and US EPA. These issues will be taken up in more detail by TWGs for specific options in the next phase of the process. Following review and brief discussion, these guidelines were affirmed without objection for further use by the TWGs.

Kirsten Engel raised a point about the need to establish a standard approach for handling uncertainty of data. She suggested using ranges and asked whether it was possible to conduct a sensitivity analysis for all options. Peterson advised that it would be better to handle on a case-by-case basis, based on TWG and CCAG needs, while Karl Hausker, also with CCS, asked whether the level of complexity added to the process added significantly to the overall outcome

(i.e., providing recommendations to the Governor.) Richard Tobin commented that uncertainties over data could be documented in footnotes.

Actions taken:

No formal actions were taken at the meeting.

Announcements:

The next meeting of the CCAG is December 12, 2005, from 11 a.m. to 3 p.m., at the Salt River Project Public Administration Building, 1521 North Project Drive, Tempe.

Agenda items for the next CCAG meeting will include review and discussion of an updated list of potential option priorities for analysis and review and discussion of potential options for which the TWGs have defined policy designs. Members also agreed that it would be desirable to have a presentation on how other states have approached setting targets for GHG emissions reduction and whether such an approach should be used in Arizona.

TWG facilitators will e-mail members with dates and times for next series of conference calls.